

Message

From: Brugger, Sheila A. [/O=NPPD/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SABRUGG]
Sent: 8/5/2011 4:43:35 PM
To: Sobotka, Thomas L. [tlsobot@nppd.com]; Meacham, John M. [jmmeach@nppd.com]; Spencer, Michael J. [Mick] [mjspenc@nppd.com]; Phelps, Gerry E. [gephelp@nppd.com]; Starzec, Donna K. [dkstarz@nppd.com]
CC: Nitsch, Bob B. [bbnitsc@nppd.com]; Kuta, Colleen M. [cmkuta@nppd.com]; Epley, Joel E. [jeepley@nppd.com]; Keep, Charles B. [Chuck] [cbkeep@nppd.com]; Bender, Traci L. [tlbende@nppd.com]; Wendt, Lori L. [llwendt@nppd.com]
Subject: RE: Updated "B" Project Amount for the GGS MPCE project

Accounting has reviewed the charges to the B project for the GGS MPCE project. It has been determined that the charges are appropriate and there are no entries required to move costs to O&M. Thank you everyone for your patience and feedback in this review process. Many thanks to Lori Wendt for all the investigation and organization of the information during the review & also to Colleen for looking through this project in the past and making previous reclassifications.

Sheila

From: Sobotka, Thomas L.
Sent: Wednesday, July 20, 2011 8:58 AM
To: Meacham, John M.; Spencer, Michael J. [Mick]; Phelps, Gerry E.; Brugger, Sheila A.; Starzec, Donna K.
Cc: Nitsch, Bob B.; Kuta, Colleen M.; Epley, Joel E.; Keep, Charles B. [Chuck]
Subject: RE: Updated "B" Project Amount for the GGS MPCE project

I just spoke with John and he has current funding capacity that should carry through to the end of 2011. Accounting is also reviewing the current B project charges for items that should be moved to GGS O&M. It would be prudent to wait on updating the B project funding request until the results of the Accounting review are known. The review may free up enough capacity such that John may not need to increase the allowed cap for the existing B project.

Tom

From: Meacham, John M.
Sent: Tuesday, July 19, 2011 9:48 AM
To: Spencer, Michael J. [Mick]; Phelps, Gerry E.
Cc: Nitsch, Bob B.; Kuta, Colleen M.; Sobotka, Thomas L.
Subject: Updated "B" Project Amount for the GGS MPCE project

Gerry, Mick –

With the recent approval of the additional S&L task for the GGS MPCE project, I am projecting that we will exceed the current "B" project amount of \$9.1 million before the end of 2012. Therefore, I recommend that we increase the "B"

project amount. The following is my estimate of what will be needed through project release, which is now expected to occur by March 31, 2012:

	<u>Expended thru 6/2011</u>	<u>To be expended 7/2011 – 3/2012</u>
NPPD Labor	\$1,433,993	\$ 500,000
S&L	5,200,709	2,425,275
Travel/Subsistence	98,899	50,000
Material	<u>9,813</u>	<u>5,000</u>
Subtotals	\$6,743,415	\$2,980,275

Added together, the new total is \$9,723,690. Including \$175,000 as contingency for potential new studies by S&L results in a new grand total of \$9,898,690. This amount remains under the amount of \$10,000,000 allowed under the applicable Board Resolution. Note that this increased amount does not include additional study of the SCR technology for GGS.

The updated amounts are reflected in the write up in red shown below. Similar information was forwarded the last time we updated the “B” project.

Let me know if other action needs to be take to increase the “B” project amount. Also, please note that if it is desired that we study the SCR technology for GGS in more detail, we will have to take action to increase the amount authorized by the Board Resolution.

Thanks!

Budget Year: 2012

Business Unit: Energy Supply

WBS: B/000017/06.01

Project Description: GGS Multi-Pollutant Control Equipment (MPCE) Project

The MPCE “B” project was originally approved on January 22, 2007, to allow detailed planning and cost estimating activities to proceed for this project. It was recognized that given pending regulatory and legislative initiatives (e.g., Regional Haze glide path and Clean Air Interstate Rule), there is a high probability that large pollution control equipment will have to be installed at GGS; further, this equipment is very expensive and has a long lead time to procure. The “B” project was approved to allow sufficient engineering and planning activities to be performed to determine the optimum configuration and associated costs to install this equipment at GGS.

At this point, sufficient engineering has been completed to determine that wet scrubbers for SOx control and Selective Catalytic Reduction (SCR) equipment for NOx control would be the optimum configuration for GGS. Additionally, to retrofit such equipment at GGS could cost on the order of \$1.5 billion. At the present time, additional engineering and procurement document development activities are underway. The goal is to have procurement documents ready to issue for bid if and when the regulatory requirements for this equipment become clarified. In order to achieve this goal, additional funding for the this project is needed. A breakdown of the requested funding is attached and is summarized below. Note that this request is based on actual expenditures through June 2011 and projected expenditures to achieve Project Release (if necessary) by March 2012.

Location: GGS

Estimated Total Cost:	Original Amount	\$6,000,000
	Previously approved amount	3,100,000
	Funding needed through 2011	<u>798,690</u>
	New total amount	\$9,898,690